## REMARKS/ARGUMENTS

Favorable reconsideration of the present application is respectfully requested.

The claims have been amended to refer to a driver controlled element being "not actuated" rather than being "substantially not actuated." It was confirmed in a brief discussion with Examiner Holmes that this amendment overcome the rejection under 35 U.S.C. § 112.

Applicants had previously pointed out that neutral control according to the claimed invention can be ended when a torque transmitted to a frictional apply device involved in the neutral control has been continually equal to or greater than a predetermined value for a consecutive period of time even if the driver controlled element (e.g., accelerator pedal) is substantially not actuated, whereas the engagement of the frictional apply device 24 at steps 61-68 in Hiramatsu is performed only when it is determined at step 52 that the accelerator pedal has been depressed. In again rejecting Claims 1-4, 8-11 and 15 under 35 U.S.C. § 102 as being anticipated by Hiramatsu, the Examiner has taken the position that the phrase "substantially not actuated" includes the degree of actuation present in step 52 of Hiramatsu (see paragraph 8 of the Office Action), so that steps 61-68 of Hiramatsu may apply to the claims.

Since the rationale for rejecting Claims 1-4, 8-11 and 15 as being anticipated by <u>Hiramatsu</u> was the breadth of "substantially" in the phrase substantially not actuated, and since the claims no longer recite "substantially" not actuated, Applicants respectfully submit that the amended claims define over this reference for the reasons previously provided.

More specifically, <u>Hiramatsu</u> discloses a vehicle having a neutral control in which the torque capacity of the clutch involved in the neutral control is controlled to provide a predetermined rotational speed difference. For example, referring to Figure 4 of <u>Hiramatsu</u> it is determined at step 52 whether the accelerator pedal is depressed as an indication that the

driver intends to start the vehicle. If it is judged at step 52 that the accelerator pedal is not depressed, a desired rotation speed difference  $\Delta N$ ' between the input and output shaft rotation speeds of the torque converter is determined at step 56, and the engaging force of the low reverse brake 24, which is involved in the neutral control, it is controlled at steps 59-60 to maintain the actual rotation speed difference  $\Delta N$  equal to the desired rotation speed difference  $\Delta N$ '.

On the other hand, steps 61-68 of Figure 4 are performed only when it is determined at step 52 that the accelerator pedal has been depressed, indicating an intention on the part of the driver to start the vehicle and end neutral control. Specifically, if the result of the judgment at step 52 is positive, neutral control is ended in a process wherein the torque capacity of the low reverse brake 24 is increased while keeping the change rate Nt of the rotation speed of the torque converter output shaft 19 at a reference changing rate Nt'. To this end, the changing rate Nt is computed at step 62, a reference changing rate Nt' is computed at step 63, and the engaging force of the low reverse brake 24 is controlled at steps 65-66 based on a comparison of the changing rate Nt with the reference changing rate Nt' at step 64.

Since neutral control is maintained in steps 59-60 of <u>Hiramatsu</u>, which steps are performed if the accelerator pedal is not depressed, <u>Hiramatsu</u> fails to teach ending neutral control in the case where the driver controlled element is not actuated, as is recited in the claims.

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Applicants therefore believe that the present application is in a condition for allowance and respectfully solicit an early Notice of Allowability.

Respectfully submitted,

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